

## CBO's Economic Projections for Calendar Years 2006 to 2016

(Percentage change)

	Actual 2005 <sup>a</sup>	Forecast		Projected Annual Average	
		2006	2007	2008 to 2011	2012 to 2016
Year over Year					
Nominal GDP (Billions of dollars)	12,487	13,308	13,993	16,914 <sup>b</sup>	21,052 <sup>c</sup>
Nominal GDP	6.4	6.6	5.1	4.9	4.5
Real GDP	3.5	3.5	3.0	3.0	2.6
GDP Price Index	2.8	3.0	2.0	1.8	1.8
PCE Price Index <sup>d</sup>	2.8	3.0	2.4	2.0	2.0
Core PCE Price Index <sup>e</sup>	2.0	2.2	2.3	2.0	2.0
Consumer Price Index <sup>f</sup>	3.4	3.5	2.5	2.2	2.2
Core Consumer Price Index <sup>g</sup>	2.2	2.6	2.5	2.2	2.2
Unemployment Rate (Percent)	5.1	4.7	4.8	5.0	5.0
Three-Month Treasury Bill Rate (Percent)	3.1	4.8	5.0	4.5	4.4
Ten-Year Treasury Note Rate (Percent)	4.3	5.1	5.4	5.2	5.2
Tax Bases (Percentage of GDP)					
Corporate book profits	11.5	13.4	11.7	10.1	9.0
Wages and salaries	45.7	45.0	45.4	45.8	45.8
Tax Bases (Billions of dollars)					
Corporate book profits	1,438	1,781	1,641	1,587 <sup>b</sup>	1,884 <sup>c</sup>
Wages and salaries	5,712	5,994	6,354	7,771 <sup>b</sup>	9,619 <sup>c</sup>
Fourth Quarter over Fourth Quarter					
Nominal GDP	6.4	6.3	5.0	4.8	4.5
Real GDP	3.2	3.6	3.1	3.0	2.6
GDP Price Index	3.1	2.6	1.9	1.8	1.8
PCE Price Index <sup>d</sup>	3.0	2.9	2.0	2.0	2.0
Core PCE Price Index <sup>e</sup>	2.0	2.5	2.1	2.0	2.0
Consumer Price Index <sup>f</sup>	3.7	3.2	2.2	2.2	2.2
Core Consumer Price Index <sup>g</sup>	2.1	2.9	2.3	2.2	2.2

Sources: Congressional Budget Office; Department of Commerce, Bureau of Economic Analysis; Department of Labor, Bureau of Labor Statistics; Federal Reserve Board.

Notes: Year-by-year economic projections for 2006 to 2016 appear in Appendix C.

GDP = gross domestic product.

- a. Values as of early July 2006, prior to the revisions to the national income and product accounts.
- b. Level in 2011.
- c. Level in 2016.
- d. The personal consumption expenditure chained price index.
- e. The personal consumption expenditure chained price index excluding prices for food and energy.
- f. The consumer price index for all urban consumers.
- g. The consumer price index excluding prices for food and energy.

## CBO's Year-by-Year Forecast and Projections for Calendar Years 2006 to 2016

	Actual 2005 <sup>a</sup>	Forecast		Projected									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Nominal GDP (Billions of dollars)	12,487	13,308	13,993	14,685	15,425	16,174	16,914	17,684	18,491	19,317	20,167	21,052	
Nominal GDP (Percentage change)	6.4	6.6	5.1	4.9	5.0	4.9	4.6	4.6	4.6	4.5	4.4	4.4	
Real GDP (Percentage change)	3.5	3.5	3.0	3.1	3.2	3.0	2.8	2.7	2.7	2.6	2.5	2.5	
GDP Price Index (Percentage change)	2.8	3.0	2.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	
PCE Price Index <sup>b</sup> (Percentage change)	2.8	3.0	2.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Core PCE Price Index <sup>c</sup> (Percentage change)	2.0	2.2	2.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
Consumer Price Index <sup>d</sup> (Percentage change)	3.4	3.5	2.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	
Core Consumer Price Index <sup>e</sup> (Percentage change)	2.2	2.6	2.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	
Employment Cost Index <sup>f</sup> (Percentage change)	2.5	2.9	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	
Unemployment Rate (Percent)	5.1	4.7	4.8	4.9	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
Three-Month Treasury Bill Rate (Percent)	3.1	4.8	5.0	4.8	4.5	4.4	4.4	4.4	4.4	4.4	4.4	4.4	
Ten-Year Treasury Note Rate (Percent)	4.3	5.1	5.4	5.3	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	
Tax Bases (Billions of dollars)													
Corporate book profits	1,438	1,781	1,641	1,624	1,580	1,573	1,587	1,621	1,675	1,736	1,806	1,884	
Wages and salaries	5,712	5,994	6,354	#	6,706	7,069	7,430	7,771	8,117	8,478	8,847	9,226	9,619
Tax Bases (Percentage of GDP)													
Corporate book profits	11.5	13.4	11.7	11.1	10.2	9.7	9.4	9.2	9.1	9.0	9.0	8.9	
Wages and salaries	45.7	45.0	45.4	45.7	45.8	45.9	45.9	45.9	45.8	45.8	45.7	45.7	

Sources: Congressional Budget Office; Department of Commerce, Bureau of Economic Analysis; Department of Labor, Bureau of Labor Statistics; Federal Reserve Board.

Note: Percentage change is year over year; GDP = gross domestic product.

a. Values as of early July 2006, prior to the revisions to the national income and product accounts.

b. The personal consumption expenditure chained price index.

c. The personal consumption expenditure chained price index excluding prices for food and energy.

d. The consumer price index for all urban consumers.

e. The consumer price index for all urban consumers excluding food and energy prices.

f. The employment cost index for wages and salaries of workers in private industry.